

# SOVIET RUSSIA

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Sturdy Youngsters Demonstrating on International Youth Day in Moscow

# LENIN'S FUNERAL

(The funeral of Lenin, the last act of which is described below, may be said to have lasted three days and three nights, during which a million people filed past his body in the Trade Union Palace. Thousands of visitors flocked to Moscow, representing local government bodies, workers' organizations, and villages in all parts of the Soviet Union. Standing for hours in the intense cold, sleeping in railway stations and empty barracks, the Russian workers honoured Lenin.)

At 10 a. m. on Sunday, January 27, Lenin's body was brought from the Trade Union Palace. The coffin was borne in turn by delegates from industrial centers, peasants, delegates to the Congresses of Soviets, and members of the Government and of the Central Committee of the Communist Party. It was followed by the family, all the members of the guard of honor who had stood by the coffin during the last few days, the Central Committee of the Russian Communist Party, the Union Central Executive Committee, the All-Russian C. E. C., Congress delegates, and the diplomatic corps. To the notes of the Funeral March the procession slowly moved to the Red Square between the thousands of mourners.

The coffin was placed on a platform in front of the mausoleum. Covered with a mourning banner, it could be seen from all parts of the square. At the head of the procession of mourners came a few military units, which lowered their banners as they passed. After them were an endless torrent of Moscow workers and innumerable deputations from the provinces. Amongst the most striking inscriptions on the banners were: "Ilich is dead, but Leninism lives," "To-day we bury Ilich, to-morrow we

continue the work he began," "Lenin lives in us." The mausoleum, the platform, and the Kremlin wall along the whole square were covered with thousands of wreaths from the Soviet Republics, foreign governments, and workers' organizations in every country.

All day on Sunday the endless processions continued to pass. The crowds, whose numbers ran into millions, maintained model order. Owing to the frost (35 degrees Centigrade) the participation of children was prohibited. In the streets tens of thousands of copies of biographies of Lenin, selected articles, portraits, and memorial buttons were distributed.

At 4 p. m. Stalin, Zinoviev, Kameneff, Bukharin, Molotov, Rudzutak, and Dzerzhinsky raised the coffin from the platform and carried it into the vault. There were no speeches. The complete silence was broken only by the sobbing of thousands. There followed a salvo of rifles and artillery, while in response there came from the outskirts of the city the distant wailing of sirens and whistles from the factories and locomotives. In Moscow and throughout the Union at this moment all work ceased for five minutes. The telegraph and the wireless apparatus transmitted: "Rise, comrades, Ilich is being lowered into his grave." Fifteen minutes later the coffin-bearers came out of the mausoleum, and together with the crowd joined in the Revolutionary Funeral March, "You Fell as Victims."



Pall Bearers 1. Kalenin, 2. Bucharin, 3. Zinoviev, 4. Tomski, 5. Kamenev, 6. Stalin.

# Recognition An Aid To Peace

By A. I. RYKOV.

“FOR six years I have been working closely in touch with Lenin. It was on his proposal that I was appointed his deputy in the Council of People's Commissaries. The principal aim of my Government will be to continue Lenin's policy. The unanimous decisions of the Soviet Congress on international and external affairs, which bear witness to the complete harmony existing between the workers and the Union Government, determine the lines of the latter's activity for the immediate future.

“In our foreign policy we shall continue to work for peace and the consolidation of the international position of the Union. The U. S. S. R. has never sought after foreign territory, and does not wish to dominate other nations; but the disturbing situation of Europe to-day, and the bankruptcy of the Versailles Treaty, impel the Soviet Government to pay special attention to the military preparedness of the Red Army, which, however, has been extremely reduced in size.

“The recognition of the U. S. S. R. by Great Britain is the more precious that it constitutes the first act of the new British Government, expressing the desire of the British workers. We see in this recognition a disinterested attempt of the new Cabinet to find new paths for the establishment of pacific relations between the peoples of Europe and Asia.

“The development and consolidation of relations with other countries are indispensable for us to hasten our economic reconstruction, but can only be based on an acceptance of the regime established by the November Revolution. That regime has emerged victorious from the years of war and blockade. Only a government which faithfully watches over the victories won in November,

1917, can enjoy the support of our 130,000,000 people.

“In the seventh year of the revolution, the European Powers have realized this, and their realization furnishes a basis for economic and financial negotiations. The countries which have been foremost in taking up a common sense attitude towards the Russian Revolution will not repent of their decision.

“With regard to our Eastern policy, we follow the recommendation of Lenin—to render disinterested aid in the re-birth of the Eastern peoples. As a result, their firm sympathy has been acquired for the Soviet Government, and Lenin's name enjoys unbounded popularity amongst them. We shall continue in this way to strengthen the links between ourselves and Turkey, China, Persia, Afghanistan, and the other countries of the East. This policy is only an extension of the principle of self-determination applied within the U. S. S. R., which has found constitutional expression in the setting up of our new Council of Nationalities.”

Dealing with internal policy, Rykov said that the Soviet Government's principal aim was to revive trade between town and country. The increase of grain exports and the organization of agricultural credit would increase the purchasing power of the peasantry, and insure an individual revival. The improvement of the co-operative machinery and the dim-

inution of overhead charges in industry would work towards the same end, as would also the forthcoming reform of the currency which was decided upon by the Union Congress. Rykov made it clear that Lenin's policies will govern the Soviet Republic, although Lenin is gone. Thus he built a damper on the hopes that enemies of Russia put on the death of Lenin.



A. M. Rykov, Successor to Lenin as Chairman of Council of Peoples Commissars.

# Italy Recognizes Soviet Government

## Italian Note to Russia

February 7.

YOU are aware that, from the day when I accepted Government office, it was my desire to bring about the renewal of political relations between the two countries, considering the same to be advantageous for their special interests, as well as for the general interests of the whole of Europe.

Consequently, I am gratified that to-day the Italo-Russian trade agreement has been signed. I am very glad to inform you on this occasion that, in accordance with the declaration made by me in my speech of November 30, 1923, in the Chamber of Deputies, and with that made by me on the conclusion of the conference on the above-mentioned treaty on January 31, 1924, and since the treaty has been drawn up, I consider the question of the *de jure* recognition of the Government of the U. S. S. R. by Italy to have been decided.

Accordingly the Italian Government has issued an unconditional command for the appointment of a royal ambassador to the Union Government, and it considers that as from this day, February 7, 1924, diplomatic relations between the two countries are definitely and solidly established.

Expressing confidence that this date can be reckoned as the beginning of a new and fruitful co-operation between the two Governments in their mutual interests, I beg you to accept the assurances of my most distinguished consideration.

MUSSOLINI.

## Reply of Soviet Government

February 13.

I have the honour to acknowledge on behalf of the Government of the Soviet Union the receipt of the Note sent by your Excellency, on February 7, 1924. The Union Soviet Government acknowledges with pleasure the declaration of the Italian Imperial Government regarding the *de jure* recognition of the Union Soviet Government, and further expresses its pleasure at the preliminary signature of the trade agreement between the Soviet Union and Italy.

The Government of the Soviet Union considers it its agreeable duty to note that the propitious issue of the

negotiations with the Italian Government, and the final solution of the question of the recognition of the Soviet Government by Italy, is to a large extent the result of the friendly attitude manifested by the Soviet Government, which was moreover reflected in the declarations made by your Excellency on November 30 of last year, and to the Plenipotentiary Representative of the Union, Jordansky, on January 31 of this year.

The Government of the Soviet Union also has the honour to express its satisfaction at the declaration of your Excellency on the decision of the Italian Government to despatch immediately an ambassador to the Government of the Soviet Union, and begs to inform you in its turn its intention to propose in the very near future an ambassador of the Soviet Union to Italy, who, it is hoped, will be acceptable to His Majesty's Government.

The Government of the Soviet Union shares with you the opinion expressed in the Note of your Excellency, of February 7, that the establishment of full diplomatic relations between the Soviet Union and Italy will have a favourable influence on the economic relations between the two countries, and will lay the foundation for friendly co-operation between the Italian people and the peoples of the Soviet Union.

CHICHERIN.

Since the recognition of Soviet Russia by the Italian government two new governments have taken up diplomatic and trade relation

with Russia, Greece and China. Soon the United States will be the one nation that refuses to acknowledge its mistake of the past and insists on sulking in a corner by itself.

Recognition by Italy has given great satisfaction in Moscow. Kalinin told an interviewer: "Although Italian recognition would have had greater political weight if it had taken place before recognition by Great Britain, nevertheless official relations must necessarily assist to no small degree in establishing friendly and mutually profitable co-operation between the two countries." Krassin said that the treaty and recognition would give Italy an opportunity of actively assisting in the economic reconstruction of the U. S. S. R. Kamenev said: "Italian recognition will consolidate friendly relations, and this means one step more toward the definite establishment of the world position of the U. S. S. R."



Mussolini Signing Soviet Recognition with Jordansky, Soviet Representative, at his right.



## Five Years of "Order" in Germany

A dying system, fattening the parasites, like maggots fatten on a Corpse while the only useful members of society, those who work, are condemned to starvation.

much marked, entitling her to an unemployment dole each Monday.

"On the way a comrade told me that we got 600 million for the week. And the special provisions under controlled price for the unemployed, charged 600 for a single pound of butter. So we all started out to find out who was responsible for fixing those prices. We made them hold a conference.

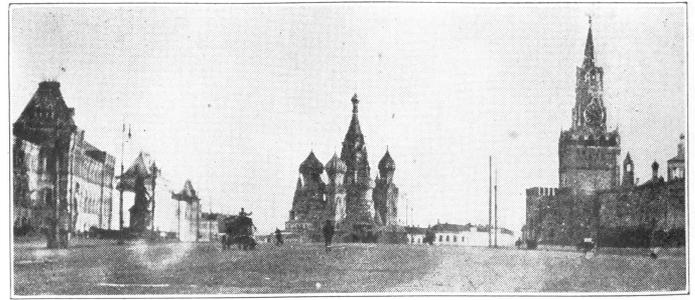
"Next day the price was cut, but nobody had any money; it was gone for food the day before. There were six days coming without food. So we started going the round of the shops. Some shops handed it out to us without money; but some refused. There were windows broken then.

"It wasn't the unemployed of the communists who broke the windows. It was these hoodlums that always tie up to any crowd. They ought to be shot, the communists themselves say so. They say they are no use to anyone in the world. We want order. But the communists say we want workers' order; when we organize and take the food and give it out in an orderly manner, and make these factories open up that are throwing us on the streets. I think they've got a real good idea. 'We don't want any dead, we don't want any smashing; we want just food for all.' It's a good scheme, I think, I don't see why they blame everything on the communists."

"But the barricades and the military plan?" I protested. "That was not part of your unemployed demonstration."

She dismissed the barricades with a wave of her hand. "That was in the suburbs" she said. "I wasn't out there. I'm talking about the center of town, where we went to and fro all day and the police drove us about with clubs and shot now and then when the crowd didn't clear fast enough.

"There was one bunch of girls coming out of a factory to lunch. And the police fired into them—nervous, I guess, or something. And a friend of mine fell into the



**Red Square in Moscow witnessed many revolutionary struggles of Moscow workers**

arms of another girl. And by and by the second girl said: 'My God, what is the matter with me?' She was hit all the time herself and didn't know it. Did you imagine that a thing like that could happen?"

"She's dead now. That's what I mean, these crazy police. The women of this town have had enough. But I say to them: 'It's your own fault that your men are so cowardly. Why weren't they out with the others on the barricades? I know why! If a piece of bread comes into the house, who gets it? The woman? Never! Not even for the children. It goes to the man, because he's the head and must keep working. That's the sort of fools we German women are. But I say we must take our rights, like the English and American women. We must take the bread for ourselves and for our children. And when the man is as hungry as we are, he'll get out on the barricades.'—

She changed her line of thought abruptly. "They were there two days and nights under free heaven without food or water. The Sipos had plenty of food. But the workers lay surrounded with no one to supply them. They would be there yet if their munitions had lasted"—she tossed her head proudly.

"These labor leaders" she fumed. "We harbor workers went down to the Labor Temple to hear the conference on wages. And we saw only a sign that the conference was dissolved because of the state of siege. But it was because the leaders didn't dare to face us. So we stood there outside and it came to hot talk. The socialists blamed the communists for starting the fight and the rest blamed the socialists for not helping. Then the police cleared us away with guns, right from the Labor Temple. Those politicians could have stopped it; they're in the government themselves aren't they? And they had the police club us away from our own Labor Temple."

"Sure it is" she said. "I'm one of those that left. I quit the trade union too, day before yesterday. I went and told them I had had enough. I'm not in any party yet. I'm a party by myself. I'd like to see a soviet Germany. But I'm for anybody, communist or even nationalist, that will chuck these d..... bureaucrats out."

I invited her down to lunch at the Labor Temple. As I sat down and pushed my coat back from my shoulders, she remonstrated and took it from me carefully to hang it up. "You musn't sit on it" she reproved. "You'll get it all mussed up." . . . She was a careful, orderly German woman.



**Participants of London Relief Congress. From left to right: Edo Fimmen, Holland, Dr. Shuhman, Germany, Helen Crawford, England, Dr. Polovtsev, Russia.**

# LENIN AS AN ECONOMIC LEADER

By V. MILIUTIN (*Member of the Supreme Economic Council*)

## Lenin as a Practical Worker

Lenin was at once the deep theoretician and the great practical worker. A master of modern science, with an expert grasp of the theories of Marxism, he knew also how to direct and control the masses, and he was able to look at every question from a practical point of view.

In all his work, Lenin showed extraordinary patience in the collection of facts. Even when he was seriously ill, he was preparing material on the question of the scientific organization of labor; as an incident in this work, he requested his friends to draw up a complete list of books and articles which had been published on this question in Russia and abroad. Thanks to the pains he took in collecting the necessary material, his practical activities always rested on a sure foundation of principle.

As a practical worker his most notable and distinctive characteristics may be given as follows. Ability to formulate every question in all its aspects. Intense realism and ability to grasp the mood of the masses. Decisiveness, and determination in carrying out decisions when taken. Ability to select, organize, and train able assistants. The habit of giving a clear, frank account of work done; he never concealed mistakes.

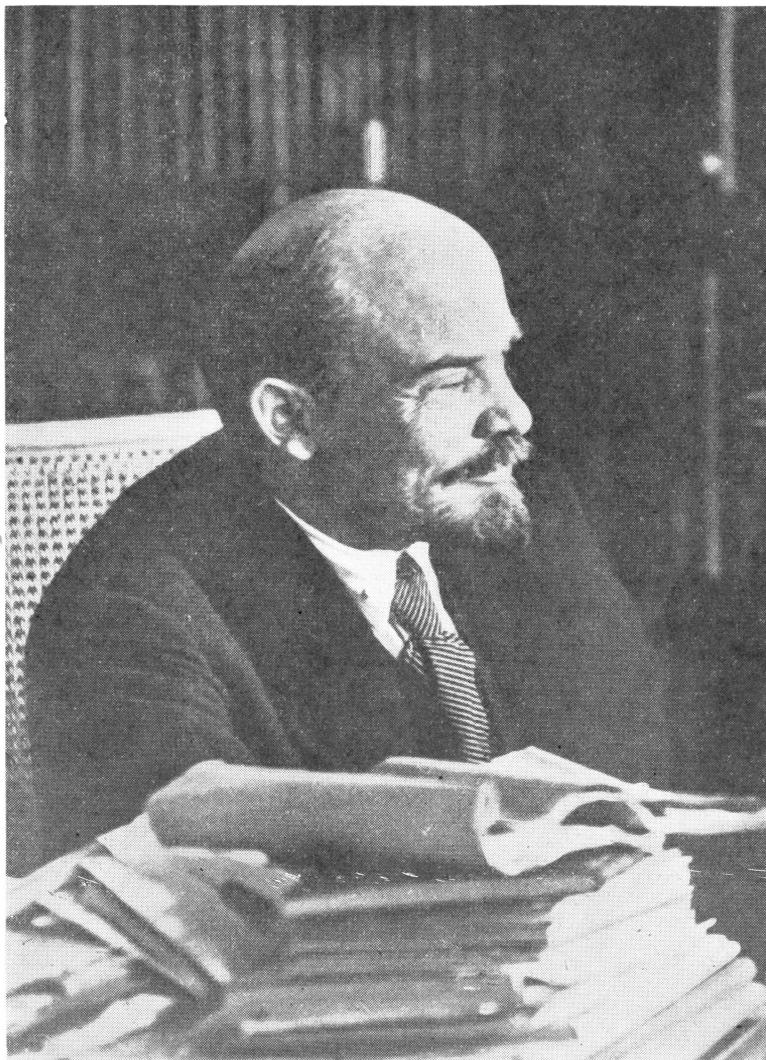
## Lenin as the Leader in Economic Policy

In the sphere of economic policy, Lenin followed a definite line, manoeuvring his forces skilfully in the complicated maze of our economic relations.

There is a generally accepted opinion that Lenin did not foresee the New Economic Policy, but was forced to adopt it as a result of the difficult conditions of 1921. But his articles and speeches from 1917 to 1923 show that

Lenin, with his usual consistency, followed a definite economic policy in accordance with the conditions of the transition period. The general aims throughout the periods of military communism and of the new economic policy were the strengthening of the power of the workers and peasants, the development of economic life, and the final establishment of socialism.

At the Third Soviet Congress, in January, 1918, Lenin said:—



Lenin when He was Still at his Desk as the Chairman of the Council of People's Commissaries

“We only know one road which a proletarian revolution must traverse. Having captured the enemy's positions, we must learn to wield power by experience. We must learn from our mistakes. We do not in the slightest underrate the difficulties of our task. In introducing control by workers we wanted to show that we recognized only one method—reconstruction from below, so that the workers should themselves choose a new basis of economic conditions. From workers' control we went on to the creation of the Supreme Economic Council. Only this measure (together with the nationalization of the banks and railways, which will be realized within the very near future) will make it possible for us to start building up a new Socialist economy. We are perfectly aware of the difficulties confronting us, but we affirm that a real Socialist is only he who attempts the task re-

lying on experience and on the instinct of the masses.”

With these words he marked out, in essentials, the programme of our economic activity. From 1918 onwards the nationalization of enterprises proceeded at a brisk pace. The Soviet Government machinery could not keep pace with this development, and Lenin consistently pointed out its defects.

During 1918, 1919, and 1920 the food position in the towns was extremely serious. Lenin initiated and saw carried through the policy of centralization of food production. In June, 1918, he declared:—

“All reserves of grain must be collected so that they can be properly distributed in the places in need of them.”

Within this general policy, Lenin also marked out immediate economic measures—the securing of the co-operation of the workers, the utilization of specialists, the establishment of the premium bonus system, etc.

In 1921, with our victory on the military front and change of economic policy, a new era began. Lenin, as usual, advanced very cautiously. In an early discussion with him we talked only of the “local market.” Later, as usual, he considered the question in all its implications. The foundation of the new economic policy was laid down by him in his pamphlet on the Agricultural Tax, and in his speech to the Eleventh Congress of the Russian Communist Party. He pointed out how the establishment of

peace worked a radical change in the relations between the workers and peasants. He stressed the basis of the new economic policy as follows:—

“We are building up our economy in contact with the peasantry. We must keep on shaping it and reshaping it so that there will always be a close relation between our social work and the work in which every individual peasant is engaged. Our aim must be to establish this relation, and to prove to the peasant by our deeds that we are starting from something which he can easily understand, and which is realizable at the present moment in spite of his poverty. This must be the foundation of our whole economic policy.”

Lenin has marked out the lines of our economic policy for many years ahead. Thanks to his comprehensive, far-sighted genius, our economic policy stands on a firm, practical and theoretical basis. Our successes in the economic sphere during the last year fully confirm the accuracy of his vision.



Lenin's Funeral Rites on Red Square in Moscow

### Lenin and the Trade Unions

Under the new economic policy, as Lenin showed, the struggle between the capitalist forces and the workers became more intense though under a different form than in the civil war. For the workers to win, there was needed the active participation of the millions of workers and peasants themselves.

This was the problem put by Lenin in 1919 at the Second All-Russian Congress of Trade Unions. For its solution he looked to the trade unions, which he considered, should play the most important part in economic administration. Their general task he outlined at the Eighth Soviet Congress in the following words:—

“The trade unions are the organizations of the ruling class in society, but they are not State bodies. They are rather educative organizations, a school for the administration of industry, a school for Communism. In the system of the dictatorship of the proletariat they are in a position, as it were, between the Party and the State power.”

### Lenin and the Government Apparatus

Lenin attached enormous importance to the actual machinery of government. He was interested in its details, trying as far as possible to bring forward as active



Lenin at the Age of Three



Former Czars Palace in Moscow Kremlin.—Hardly a stones throw away from where Lenin dwelt in two little rooms.

participants in the most prominent positions the most able workers and peasants. Above all, he fought tooth and nail against all tendencies towards bureaucracy. He demanded that everyone in a responsible position should be directly responsible for the work of his department, and should not be content with the mere passing of paper resolutions. From the first he took the closest part in the work of the Supreme Economic Council, and consequently stood at the head of the Council of Labor and Defence, which united all economic administrative activity.

The question of the organization of the State machinery already occupied his attention in 1918. He returned to the question continually, and one of his last public statements again concerned this question, his criticism of the Workers' and Peasants' Inspection in 1923. He pointed out that the defects of our machinery were rooted in the past, which, though overthrown, was not yet outlived, and that we must therefore struggle continually to overcome old, bad traditions.

Lenin, perhaps more than anyone else, realized how much our whole State organization suffered from lack of experience and from the shortage of experts. “We must once for all,” he said, “give up our former prejudices and invite all necessary specialists to come and work for us.” He was never tired of pointing out that the new system of society could not be built simply by the hands of the Communists without attracting to the work the necessary experts. All his comrades know how much time Lenin gave to this question; how he would tear himself from most important daily work in order to talk over matters personally with this or that specialist.

Lenin not only directed and controlled the economic policy, he not only mapped out on a wide general scale the direction of the economic life of the country and the construction of our State machine, but he took direct practical part in every detail of this work. Only his supernatural ability for work could withstand all the many-sided tasks which he carried out.

# SOVIET FOREIGN POLICY

*(A report presented to the Union Congress of Soviets, on January 30, by L. B. Kamenev, Acting-Chairman of the Council of People's Commissaries.)*

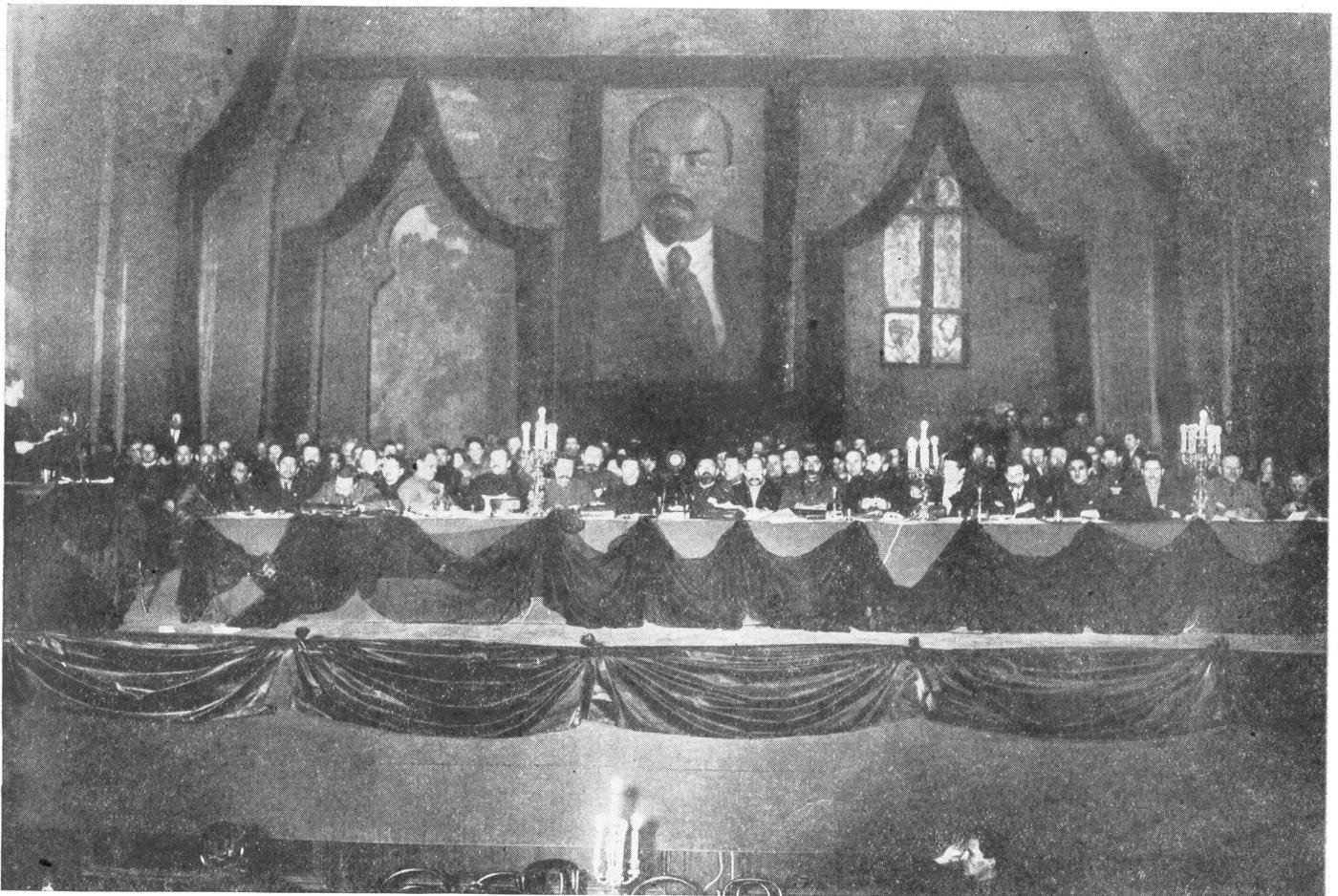
"The most characteristic feature of the present situation is the collapse of the Versailles Treaty in consequence of the impossibility of restoring European economic life effectively and of the developing antagonism between the victors. On this background the strength of the Soviet Government is developing, since it wished to be neither with the victors nor with the vanquished, who were alike responsible for the war. The Soviet Government's policy of peace and patient expectation was founded on the consciousness that the economic life of the world can never be restored without the assistance of the 130,000,000 people united in the U.S.S.R. The result of our policy has been that in all countries interest is growing in an economic and political understanding with the Soviet Republics.

## British Recognition

"The Soviet Government is under no illusion in connection with the coming to power of the Labour Party in

Great Britain, for we are well acquainted with the policy of its leaders. What we do know is that when voting for the Labour Party the British workers were voting for the complete and unconditional recognition of the U.S.S.R. But as the British Premier relies on the support not only of the workers but also of the Liberals, there are already attempts to hinder the carrying out of unconditional recognition. We desire and hope that Mr. MacDonald will fulfill the obligations undertaken to the British workers.

"We realise that after recognition there will remain questions in dispute which will require discussion: nevertheless, we see every possibility of an agreement. Therefore the Soviet Government has already declared to Great Britain its readiness to set up after recognition a mixed Anglo-Russian Commission for the settlement of possible disputes on economic questions. In any case, we should like to hope that with Mr. MacDonald, more than his predecessors, we could come to an understanding for the



**Last Session of Second All Union Soviet Congress in Moscow.**  
(Note microphone in center of table to broadcast speeches)

preservation of universal peace, the settlement of the disputes which are now setting the world by the ears, and relief from the burdens of military expenditure which are crushing the whole of Europe, and the British workers not the least."

#### Relations With France

Touching upon France, Kamenev said that to her fear of being left behind her Allies in the re-establishment of relations with Russia must be attributed in reality the well-known change in the attitude of the French Government to Russia. The Soviet Government is quite ready to discuss those economic questions the non-settlement of which is doing harm to both sides.

"We have been obliged to transfer part of our commercial apparatus from France to England. I fear we shall have to continue this policy, in so far as the quite impossible position of our trading offices continues to be acute in the absence of any agreement. Of course, we shall always give a preference to States with whom trade is developing, and where we do not run the risk of incidents like the Optorg-Buniatian case.

"France must understand: what has been nationalized has been nationalized. Our Red soldiers did not shed their blood fighting Allied intervention, in order that later on the Seine Court should be permitted to change what had been won at the cost of so much suffering. Conscious of our mutual interest in business relations, we are ready at any moment for negotiations—but only if certain elementary truths are recognized, which have already been recognized by Great Britain and Italy."

#### Attitude to Germany

Dealing with Germany, Kamenev reiterated that the strengthening of friendly relations and economic links with Germany remains one of the foundations of Soviet policy. The Soviet Government could not be unmoved by the crisis which convulsed Germany last October and November. Stresemann declared, and the Soviet Government agreed, that in the days of the crisis, the destinies of the Soviet Republics and Germany were closely allied.

For the Soviet Government, as for Stresemann, it was clear that the victory of militarist reaction in Germany would signify the open door for world imperialism. The advance of French troops under cover of triumphant German counter-revolution within the country would signify the shattering of the very foundations on which the world position of the Soviet Republics is based. Naturally the Soviet Government adopted precautionary measures, such as negotiations with the Border States for non-intervention in German affairs and freedom of transit, making quite clear its pacific intentions.

#### Friendship with the Eastern Peoples

Kamenev went on to deal with Russia's relations with the Eastern peoples, being frequently interrupted by great applause. "Our friendship with the struggles of the East for independence and national development is not a passing thing, but one of the chief characteristics of Soviet policy. We do not haggle in our friendship."

Referring to the sensation caused in the East by the death of Lenin, Kamenev declared: "We are proud that our leader has inspired the forces of the democratic nation in far-off China for new battles for emancipation. Let the

peoples of the East know that our friendship with them remains as sacred for us as it is for them."

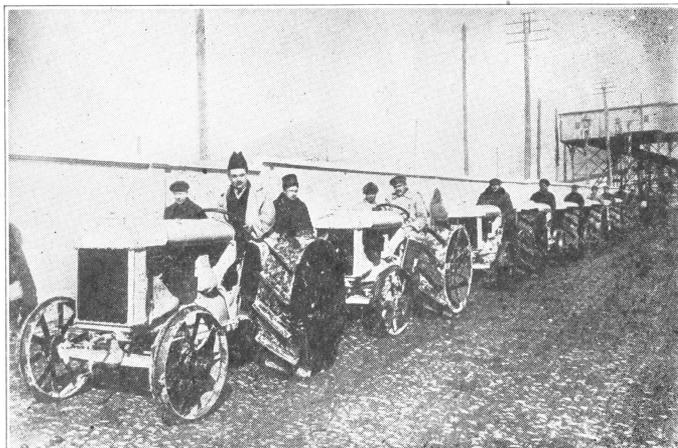
The partial misunderstanding which had arisen at various times between the U.S.S.R. and the Eastern peoples, such as the dispute with Turkey on commercial questions, had always been satisfactorily settled, thanks to the unalterable good will shown by the Soviet Government.

#### Principles of Soviet Policy

Kamenev formulated the Soviet Government's foreign policy as follows: friendship with all nations, fraternal sympathy with the oppressed peoples, and peaceful business relations with all governments. "The Soviet Republics are now at the turning point of their international position; and in this connection it is worth while repeating Lenin's words: 'The later recognition comes, the worse the conditions which we offer for it.' Those who thought that the Soviet Government would pay for its *de jure* recognition were grossly mistaken. Recognition for the Soviet Government is first of all the legalization of commercial relations, which are equally necessary to both parties. *De jure* recognition is not an act of grace, and not a striving on our part to international rank."

Emphasizing again the strengthening of the international position of the U.S.S.R., Kamenev reminded the Congress of Lord Curzon's ultimatum last May, and of the October events in Central Europe, and called for continued watchfulness. "The whole country and all the nationalities of the Union will stand as one man in defence of the independence of our land, which has taken into its bosom all that was mortal of our leader, if any insensate plan attempts to disturb our peace and economic reconstruction."

Kamenev declared that the State monopoly of foreign trade remained unshakable. The Soviet Government would not bargain on this principle: it was ready to wait for this or that treaty, rather than alter that. The Soviet Government long ago declared through Lenin its readiness to attract foreign capital, but in this as in other questions it would not depart one hair's breadth from Lenin's policy. "Foreign capital desiring to work in Russia must realize that the U.S.S.R. cannot be exploited like a colony."



Tractors ready to serve in revolutionizing Russian Agricultural Production

# The Single Agricultural Tax

THE ESSENCE of the 1921 "new economic policy," so far as it affected agriculture, was the substitution of a definite food tax, payable in kind, for the war-time system of compulsory levies at fixed prices. The change was welcomed by the peasantry, and the assessment and collection of the tax in kind have since been carried through without any opposition or serious disputes of any kind.

The food tax, however, was in substitution for the compulsory levies only, and there remained certain other taxes to which the peasants were liable, including the "labor and cartage tax"—a survival of the war period—the property tax, and the civil tax—a graduated poll-tax for famine relief purposes. Apart from these State taxes, there were also certain regional, provincial, and county taxes imposed by the local authorities on the peasantry for the maintenance of schools, hospitals, roads, and other public services. This category of local taxes became much more burdensome to the peasantry during 1922, when State assistance was almost completely withdrawn from the budgets of local authorities.

For this reason, therefore, the special agricultural conferences held during the winter voiced the general desire of the peasantry that the whole tax system should be simplified, and that the food tax, which had worked so well during the last two years, should be raised into a "Single Agricultural Tax" in which all other taxes on the peasantry would be merged.

This simplification of the taxation machinery was, of course, approved by the Commissariat for Finance, and was recommended to the All-Russian Central Executive Committee together with another change which the Commissariat found advisable—the partial conversion of the tax in kind into a money tax.

There were two reasons for this change. The first was economy of transport, for the peasants as well as the Government; the second was the desire to extend the sphere of actual currency transactions, which, at a time when emission is reduced to a relatively low figure, should have considerable influence in stabilizing the value of the rouble. Payment of a large part of the single agricultural tax in the State treasury a substantial proportion of the Soviet currency will bring back to notes now in circulation.

The two changes—the merging of all taxes on the peasantry in the single agricultural tax, and the part substitution of money payment for payment in kind—were approved by the All-Russian Central Executive Committee and embodied in its decree of May 10, 1923, on the Single Agriculture Tax.

In general, the principles of assessment on which the former food tax was based—size of holding, number of individuals per farm, quantity of farm stock, and estimated yield per dessiatine—have been retained in the new decree.

## *The Single Tax*

The first paragraph of the new decree substitutes so far as the peasantry is concerned, the single agricultural tax, labor and cartage tax, property tax, and civil tax; and for all taxes formerly levied by the Councils of People's Commissaries of autonomous republics, or by executive committees of regions, provinces, or counties.

The only additional taxes on the peasantry which may in future be levied are those imposed by the volost (district) executive committees and the village Soviets. No other taxes may be levied on the peasantry by any authority.

The purpose of the exception is obvious: the volost and village taxes are levied for purely local needs, and are practically determined by the taxpayers directly; the decree aims only at consolidating the taxes for non-local purposes determined by outside authorities.

There remains the question of how provision is made for the budgets of the local authorities which are no longer allowed to levy their own taxes on the peasantry. This is dealt with in paragraphs 20-22 of the decree, which provide that a certain percentage of the tax assessed shall be handed over to the local authorities. This percentage is determined, for each republic, region, or province, by the Council of People's Commissaries, acting on recommendations from the People's Commissariats for Finance, Food, and Agriculture, which in turn will consult the local authorities concerned.

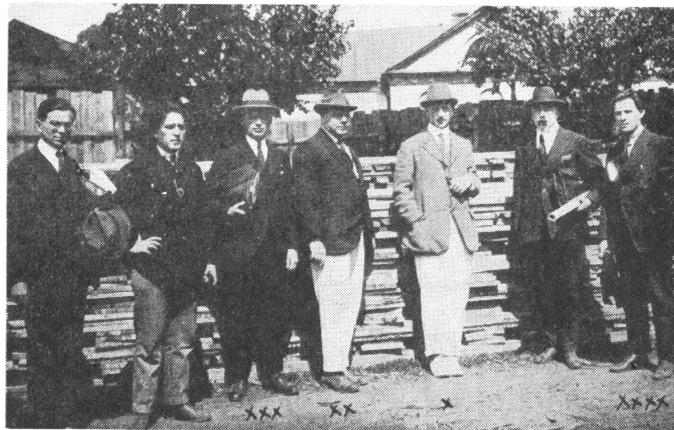
## *Payment in Money or Kind*

Paragraphs 3-12 of the decree deal with the form and conditions of payment. The tax is assessed everywhere in grain units; where money payment is authorized, the rate for conversion is determined jointly by the People's Commissariats for Finance, Food, and Agriculture, and the Central Statistical Department separate conversion rates may be fixed for separate areas, if necessary.

The decree enumerates the areas (thirtyeight provinces or regions) in which the tax is to be paid wholly in money, and the others (numbering also thirty-eight) in which payment is to be made in kind or partly in kind.

Examination of these lists shows the general basis on which the distinction is made. Payment in money is naturally required in the northern "consuming" provinces, which in any case do not produce enough grain to meet their own needs;

(Concluded on page 100)



British Envoy in Moscow: x Mr. Hodgson, xx Mr. Seward, xxx Mr. Bolton, xxxx Mr. Ossipor (Russian). Mr. Hodgson has been named charge d'affair until the appointment of an ambassador.